UNITED
NATIONS

E

Economic and Social Council

Distr.
LIMITED

E/ICEF/1995/AB/L.18
27 June 1995

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Executive Board
Third regular session 1995
18-22 September 1995
Item 10 of the provisional agenda*

FOR INFORMATION

REVIEW OF EXPENDITURES IN EXCESS OF COMMITMENTS AND UNSPENT COMMITMENTS FOR COMPLETED PROJECTS FINANCED BY SUPPLEMENTARY FUNDS

SUMMARY

The present report summarizes the expenditures in excess of commitments and the unspent balances of commitments for completed supplementary-funded projects as at 31 December 1994.

* E/ICEF/1995/20.

/...

INTRODUCTION

1. As a result of the expanded audit of the 1986 accounts, the Executive Board in 1988 established the procedures to be followed in disposing of outstanding balances of overspent and unspent commitments for completed projects.

2. Regarding expenditures in excess of commitments, the Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established, inter alia, the following:

> "The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of the overexpenditures."

3. In addition, in its decision 1988 I (E/ICEF/1988/13), the Executive Board established the following procedure for commitments in excess of expenditures:

> "When it is determined that a project is completed with savings, and where appropriate, the donor will be approached for possible reprogramming. If the donor does not agree, the balance of commitments will be cancelled and returned to the donor."

I. DISPOSITION OF OVERSPENT BALANCES FOR COMPLETED PROJECTS

4. In accordance with the policy of the Executive Board as noted in paragraph 2 above, the secretariat reported overspent balances of $3,423,394 for the year ended 31 December 1993 to the Executive Board at its second regular session of 1994 (E/ICEF/1994/AB/L.8). The accounts pertaining to those balances were reviewed by the secretariat and field offices in 1994, and the necessary accounting adjustments to the accounts were made. The final figure, representing actual overexpenditures in supplementary-funded projects in 1993 which were adjusted against general resources, amounted to $1,747,639 (see details in annex I).

5. The 1993 overexpenditures were caused by a combination of the following factors: (a) price increases in the supply components of programme assistance; (b) higher than anticipated/estimated freight charges; (c) charges to the current year allotment for unexpected expenditures that have been deemed necessary by the prevailing circumstances; (d) revaluation of currencies; and (e) difficulties in staffing for the field offices due to the political situation in the country.

6. In the four years prior to 1994, the total supplementary funds overexpenditures and the corresponding total supplementary funds expenditures were as follows:

Year	Total supplementary funds expenditures	Overexpenditures	
		Amount	Percentage
	(United States dollars)		
1990	264 887 214	5 014 017	1.90
1991	273 247 690	516 479	.19
1992	353 928 299	685 961	.20
1993	390 744 000	1 747 639	.44

7. The present report also summarizes the preliminary balances of overspent commitments relating to completed projects as of 31 December 1994 totalling $6,063,480 (see details in annex II). Of that amount, overexpenditures amounting to $2,286,808 were caused by write-offs and cancellations of pledges and $35,361 by revaluations of contributions receivables.

8. Taking those factors into consideration, the net overexpenditures remaining amounted to $3,741,311.

9. These accounts will be reviewed in 1995 and the necessary action taken in accordance with the policy as stated in paragraph 2 above. The amount of the actual 1994 overexpenditures will then be reported to the Executive Board in 1996.

II. UNSPENT COMMITMENTS FOR COMPLETED PROJECTS

10. The secretariat also reviewed the unspent balances in completed projects as of 31 December 1994 and consistently applied the procedure on unutilized funds of small amounts that was reported to the Executive Board at its 1990 regular session. For 1994, individual contributions for completed projects with unspent balances of $300 and below were used to cover general resources expenditures as of 31 December 1994. This amounted to $19,320 (see details in annex III). Comparative amounts for 1990, 1991, 1992 and 1993 were $3,834, $32,918, $4,913 and $16,832, respectively.

Annex I

1993 OVEREXPENDITURES CHARGED TO GENERAL RESOURCES IN 1994

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	59,711.88
Burkina Faso	10,608.30
Cameroon	3,523.22
Central African Republic	125,462.43
Comoros	818.09
Guinea	32,885.37
Kenya	693,233.43
Liberia	196,738.05
Madagascar	2,486.55
Malawi	195.77
Mali	13,393.81
Niger	54,237.11
Nigeria	14,757.46
Rwanda	7,058.40
Sierra Leone	9,050.00
Sudan emergency	25,897.07
United Republic of Tanzania	459.60
Zaire	6,402.67
Zambia	23,250.24
Zimbabwe	6,655.24
Total, Africa	1,286,824.69
AMERICAS AND THE CARIBBEAN	
Bolivia	130,326.13
El Salvador	32,192.16
Honduras	5,281.22
Total, Americas and the Caribbean	167,799.51

Annex I (continued)

Region/country	Amount
ASIA	
Bangladesh	9,864.96
Bhutan	76.02
Maldives	74.79
Myanmar	6,399.38
Nepal	36,057.16
Sri Lanka	25,176.84
Viet Nam	4,837.54
Total, Asia	82,486.69
EUROPE	
Albania	32,629.48
Georgia	30,833.00
Total, Europe	63,462.48
MIDDLE EAST AND NORTH AMERICA	
Lebanon	51,902.01
Morocco	52,397.29
West Bank and Gaza	42,766.06
Total, Middle East and North Africa	147,065.36
Grand total	1,747,638.73

Annex II

SUMMARY OF OVEREXPENDITURES RELATED TO COMPLETED PROJECTS
AS OF 31 DECEMBER 1994

(ACTION TO BE TAKEN IN 1995)

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	113,606
Burundi	6,994
Ethiopia	257,659
Gambia	3,215
Ghana	2,343
Guinea	6,918
Kenya	433,061
Lesotho	50,393
Liberia	13,596
Madagascar	30,298
Malawi	16,016
Mali	84,020
Mozambique	99,840
Namibia	19,890
Niger	88,992
Nigeria	40,872
Rwanda	811,059
Sierra Leone	9,761
Somalia	203,664
South Africa	59,389
Sudan emergency operation	622,409
Swaziland	6,210
Togo	5,854
Uganda	15,794
United Republic of Tanzania	366,746
Zaire	36,371
Zambia	28,454
Zimbabwe	65,441
Total, Africa	3,498,865
AMERICAS AND THE CARIBBEAN	
Bolivia	272,988
Belize	14,723
Brazil	94,692
Central America and Panama	13
Costa Rica	9,375
Ecuador	25,465
El Salvador	9,640
Guatemala	14,155
Haiti	6
Honduras	11,714
Nicaragua	21,070
Panama	9,586
Peru	141,050
Total, Americas and the Caribbean	624,477

Annex II (continued)

Region/country	Amount
ASIA	
Afghanistan	396
Bangladesh	59,317
Cambodia	11,760
China	130,753
Indonesia	8
Mongolia	9,789
Nepal	97,820
Pacific Island countries	6,907
Pakistan	429,687
Philippines	90,923
Sri Lanka	11,434
Total, Asia	848,794
MIDDLE EAST AND NORTH AFRICA	
Egypt	5
Iraq	24,646
Jordan	6,319
Lebanon	10
Sudan	140,352
Turkey	28,810
Total, Middle East and North Africa	200,142
EUROPE	
Armenia	73,033
Azerbaijan	42,899
Georgia	54,994
Romania	5,885
Russian Federation	24,622
Yugoslavia (former)	371,487
Total, Europe	572,920
INTERREGIONAL	
World Health Organization/UNICEF joint nutrition	142,949
Essential drugs for primary health care in Africa	175,333
Total, Interregional	318,282
Grand total	6,063,480

Annex III

SUMMARY OF 1994 UNSPENT BALANCES IN COMPLETED PROJECTS
USED TO COVER GENERAL RESOURCES EXPENDITURES
AS AT 31 DECEMBER 1994

(In United States dollars)

Region/country	Amount
AFRICA	
Angola	533
Botswana	283
Burkina Faso	6
Burundi	542
Cameroon	139
Cape Verde	172
Equatorial Guinea	4
Ethiopia	364
Gambia	156
Ghana	1
Guinea	261
Kenya	300
Liberia	832
Madagascar	189
Malawi	35
Mali	67
Mauritania	94
Mozambique	1,758
Nigeria	800
Senegal	174
Sierra Leone	296
Somalia	283
Swaziland	219
Uganda	447
United Republic of Tanzania	69
Zaire	296
Zambia	111
Zimbabwe	388
Total, Africa	8,905
AMERICAS AND THE CARIBBEAN	
Bolivia	320
Brazil	210
Central America and Panama	213
Chile	80
Colombia	190
Costa Rica	40
Cuba	1
Ecuador	199
El Salvador	141
Guatemala	216
Haiti	105
Honduras	83
Jamaica	228
Mexico	522
Nicaragua	223
Panama	261
Peru	459
Venezuela	41
Total, Americas and the Caribbean	3,532

Annex III (continued)

Region/country	Amount
ASIA	
Afghanistan	326
Bangladesh	925
Bhutan	3
Cambodia	682
China	322
India	162
Indonesia	139
Lao People's Democratic Republic	71
Maldives	1
Myanmar	70
Nepal	341
Philippines	663
Thailand	28
Viet Nam	161
Total, Asia	3,894
MIDDLE EAST AND NORTH AFRICA	
Egypt	142
Iran (Islamic Republic of)	626
Iraq	225
Jordan	6
Lebanon	356
Sudan	633
Syrian Arab Republic	104
Turkey	203
Total, Middle East and North Africa	2,295
EUROPE	
Armenia	193
Yugoslavia (former)	295
Total, Europe	488
INTERREGIONAL	
Impact of AIDS on women and children	206
Total, Interregional	206
Grand total	19,320